

No. 21160

MAR 7 1967

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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CERAMIC TILERS SUPPLY, INC., a corporation,

*Appellant,*

*vs.*

TILE COUNCIL OF AMERICA, INC., a corporation,

*Appellee.*

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## APPELLANT'S REPLY BRIEF.

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NILSSON, ROBBINS & ANDERSON,

By BYARD G. NILSSON,

650 South Grand Avenue,  
Los Angeles, Calif. 90017,

*Attorneys for Appellant.*

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**APPELLANT'S REPLY BRIEF.**

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I.

**Preliminary Statement.**

This brief was necessary to refute several significant erroneous statements in Appellee's Brief. As in the Opening Brief, Appellant (defendant below) is referred to as Tilers Supply and Appellee is called the Council.

The following corrections are in order in the briefs on file.

In Appellant's Opening Brief :

Page 27, line 11, change "recitations of chalk and" to—certain claims reciting—.

In Appellee's Brief :

Page 1, line 3 of the Statement of the Case, omit claim "4" from those of the '382 patent. (The Judgment [R. 164] does not list claim 4 of the '382 patent as being held valid and infringed.)

II.

**Spillman Invalidates the Patents  
Under 35 U.S.C. §102.**

The Council acknowledges that Spillman's plaster meets even a tabular comparison with the patented mixes (Appellee's Brief, p. 2). The Council's answer to this total anticipation is the doctrine of commercial success (which is improper here) and the assertion of several erroneous statements summarily considered below. The Council also emphasizes conventional techniques as prior art; however, it is well established that a patentee is charged with knowledge of all the prior art, *Walker v. General Motors Corp.* (9th Cir. 1966), 362 F. 2d 56, 149 U.S.P.Q. 472.

**A. The Erroneous Assertion That the Patents Are  
Limited to Tile-Setting Mortars.**

Attempting to contend that Spillman's "plaster" differs from the patented mortars, the Council urges a difference in the intended use.\* In fact, the claims of both the patents specify the combinations simply as "mortar" ('932 claims 1, 2, 3, 4, 5, 6 and 7; and '382 claims 1, 2, 3, 4, 5 and 6). The '932 patent then specifically defines the patented mortar combinations as general-purpose mortars, for plastering, stuccoing and laying masonry or tile ('932, column 1, lines 1-4).

As "mortar" is defined by the patent to include plaster, unquestionably Spillman's plaster is a mortar

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\*The Council's claims to originality and innovation in the field of tile setting are not supported. In fact, the use of inorganic bonding coats to thin-set dry tile was described in the Council's own 1952 publication [Ex. Y]. Portions of Exhibit Y are reproduced in an Appendix for convenient reference. It is also noteworthy that the Council's initial witness described using a



within the patent claims.\*\* A patent is granted upon a combination of ingredients, not upon the intended employment of the combination. *Celite Corp. v. Dicalite Corp.*, 96 F. 2d 242, 37 U.S.P.Q. 383 (9th Cir. 1938).

**B. The Erroneous Assertion That Spillman Was Not Noticed or Argued.**

The Council states that Spillman is not properly asserted:

“ . . . defendant never having given the written notice thereof required by 35 U.S.C. §282.” (Appellee’s Brief, p. 5).

“Nor did defendant ever ask the trier of fact for leave to adduce that reference as evidence of invalidity of the ‘932 invention.” (Appellee’s Brief, p. 18).

Although Tilers Supply’s major emphasis was on prior use and sale of the patented mortars to invalidate the patents in the court below, such defense was supported by several prior-art references to establish total lack of novelty. Among them, the Spillman patent was noticed, pleaded and argued. The Pre-Trial Conference Order [R. 88] is conclusive of the required notice and states:

“C. To be offered by Defendant:  
Exhibit J. British 743,952.”

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thin-set mortar called Serp-O-Fix prior to 1954 [Tr. 33] a time long before the Council’s entry into the field.

\*\*Spillman describes his plaster as being usable in a variety of thicknesses, on a variety of materials (including wood) to provide a flexible shockproof covering [Ex. J, p. 2, lines 11-22]. These objectives and results are identical to those of the patents in suit.

The Order also includes a stated issue of law:

“2. Does U. S. Patent 2,934,932 define patentable subject matter in view of Exhibit patents and publications prior to one year before the effective filing date?”

The Order was filed in 1963, *over one year before* trial. These quoted statements appeared in the Order in response to Defendant’s Trial Memorandum served on the Council, which gave full notice of British patent 743,952, Spillman, Ex. J.

During trial, Tilers Supply produced testimony illustrated by Exhibit BM, to explain the anticipation of the ’932 patent by Spillman. A portion of the testimony was as follows:

“\* \* \* Equating that to 100 percent gives the percentage by weight shown in the second column of numerals taught or indicated by this formulation of *Spillman, British*. This falls within ’932, . . . .” [Tr. 876] (emphasis added).

The record thus establishes that: (1) the Council was given written notice of Spillman as anticipatory of the ’932 patent *over one year before the trial*, and (2) Tilers Supply introduced testimony applying Spillman to the ’932 patent. As no objection was sounded by the Council prior to its appeal brief, it is the Council that now raises a fresh issue on appeal.

**C. The Erroneous Assertion That Spillman Discloses a Type of Methylcellulose Other Than the “10 to 7000 Centipoise Viscosity Grade.”**

This assertion was made to fabricate a basis for contending that the methylcellulose ingredient in Spillman’s plaster is different from that specified by the

patents. The Council even attempts to establish that the methylcellulose used by Spillman would not dissolve in water. The argument is truly tortuous and is fully nullified by the fact that Spillman specifically identifies his methylcellulose as being dissolved in water, stating, an *aqueous solution* of methylcellulose [Ex. J, p. 1, line 85].

Spillman's identification of methylcellulose was full and complete. As a matter of public record, the only methylcellulose readily available in the United States was made by the Dow Chemical Company, and sold under the trademark Methocel. A Dow Chemical publication [Ex. AL] which is an Exhibit to the Gremminger deposition in evidence [Ex. AD] was in use in the 1950's and conclusively establishes the grades that were then available.

"Nine viscosity types of Methocel are available—offering you a range greater than that of any other gum, natural or synthetic! This selection ranges from the lowest, 10 centipoise, through seven intermediate types of 15, 25, 50, 100, 400, 1500 and 4000, to the highest at 7000 centipoise. These ratings are based on the average viscosity of a 2 per cent aqueous solution at 20°C. as shown by Figure 1." [Dep. Ex. AL of Ex. AD].

During the period of concern, the only grades of water-soluble methylcellulose readily available in the United States were *all* of 10 to 7000 centipoise viscosity grade. Therefore, anyone mixing Spillman's plaster would be bound to use a grade of methylcellulose specified by the patent claims. Spillman's disclosure is clear, complete, concise and anticipatory.

D. The Erroneous Assertion That Spillman's Plaster  
Contains Chalk but Not Limestone.

This false assertion is made as a basis for excluding chalk from the combination of ingredients specified in the '932 patent claims, one of these ingredients being sand and/or powdered limestone.\*

The argued distinction between chalk and limestone is not only completely unsupported in the evidence, but testimony was to the contrary. The Council acknowledges its expert stated that both limestone and chalk are essentially calcium carbonate (Appellee's Brief, p. 54). The Council has given no evidence to remove chalk from the classification as a form of limestone, and the evidence of the relationship of these terms is unchallenged.

"The Court: And what is chalk?

The Witness: It is a form of limestone, your Honor" [Tr. 854].

The true signification of the words "chalk" and "limestone" is established beyond any question of a doubt, and no evidence of any unusual meaning has been introduced. Therefore, the term is used in its

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\*The Council's argument based on a technicality, imparting special significance to the words "consisting essentially of" is raised by the Council for the first time in the brief. The argument is applicable, not to distinguish the Spillman patent, but rather to distinguish the accused products, all of which contain extraneous ingredients. Particularly significant is the fact that most of Tilers Supply products contain calcium chloride [Ex. 15-1 to 15-9] which, in the prosecution of the patent application, was the ingredient responsible for the words "consisting essentially of" in the claims [Ex. AB, p. 31]. However, the more authoritative view is that, although the term "consisting" is limiting, its modification by the term "essentially" opens the claims to the inclusion of other ingredients characteristic of the combination. *In re Janakirama-Rao* (CCPA-1963), 317 F. 2d 951, 50 CCPA 1312, 137 U.S.P.Q. 893.



ordinary sense. *Chemical Construction Corporation v. Jones & Laughlin Steel Corp.* (3rd Cir. 1962), 311 F. 2d 367, 136 U.S.P.Q. 150.

Chalk: "A soft, white, powdery limestone consisting chiefly of fossil shells of foraminifera." (*The Random House Dictionary of the English Language*, 1966).

Chalk: "A soft, friable, limestone of marine origin, earthy in texture and white, gray or buff in color, found widely distributed in Europe and America, chiefly in the Cretaceous system, and composed for the most part of the minute shells of the Foraminifera." (*Webster's Third New International Dictionary*, 1961).

Chalk: "A white, or grayish loosely coherent kind of limestone rock, composed almost entirely of the calcareous remains of minute marine organisms and fragments of shells." (*Thorpe's Dictionary of Applied Chemistry*, Volume II, 1938).

The Council's struggle to move chalk out of the limestone classification borders on the fraud urged to the Patent Office in distinguishing a prior mix because it contained "chalk", then distinguishing the patented mix because it contained "limestone."

Spillman's plaster contains pulverized chalk. Chalk is a form of limestone. Spillman's plaster contains powdered limestone as specified in the '932 claims. If developed later, Spillman's mortar would infringe the '932 patent. Therefore, as Spillman is earlier, the '932 patent is invalid. *Sperry Rand Corp. v. Knapp Monarch Co.* (3rd Cir. 1962), 307 F. 2d 344, 134 U.S.P.Q. 433.

E. The Erroneous Assertion That Defendant Contends There Is No Difference Between Wet and Dry Polyvinyl Acetate.

Tilers Supply certainly does not contend the contradiction that “wet” is “dry.” Well prior to the ’382 patent, wet polyvinyl acetate (Wilhold glue) had been used in cementitious combinations along with methylcellulose, as documented by Spillman and established in testimony [Tr. 1218]. The combination of the ingredients in mortars was known and used. Upon the development (by others) of a dry form of polyvinyl acetate, no invention was required to substitute the newly-available dry form of the material in mortars to do exactly what the wet had always done.

Such a combination was fully anticipated upon the invention of the process for making the dry ingredient, as stated in the patent for that process:

“ . . . a dry, powder form from which the original emulsion could be substantially fully reconstituted upon simple mixing with the proper proportion of water, . . .” [Ex. G, column 3, lines 7-9].

It is noteworthy that Appellee’s Brief (p. 31) relies heavily on what is stated as “synergism” to evidence invention. As defined by the Council’s witness, synergism is an improvement by combination [Tr. 229]. The combination was known before the ’382 patent as evidenced by Spillman. It was merely a matter of using a more convenient form of one of the ingredients. Furthermore, in fact with respect to the two asserted features of the invention, the patentee would only say:

“you might say there is synergism”

and

“there is no particular synergism.” [Tr. 232].

Therefore, synergism, in the sense urged by the Council, is questionable and more important, the combination was simply old. The patented mortar mix clearly lacks the new or different functional relationship over the prior art required to sustain a combination patent. *Kwikset Locks, Inc. v. Hillgren* (9th Cir. 1954), 210 F. 2d 483, 100 U.S.P.Q. 289.

### III.

#### The Council's Fraud on the Patent Office Was Pleaded and Is Established.

The answer to the Council's technical contention that the allegation of fraud is untimely is provided by the Pre-Trial Conference Order [R. 88] which sets forth as a specific issue of law:

"6. Was United States Patent 2,934,932 granted on the basis of false and misleading statements made to the United States Patent Office to thereby render the patent invalid?"

The Council's answer to this fraud, if true, renders the fraud even *more culpable*. The Council now asserts that certain forms of limestone, as chalk are unsuitable in the '932 combination. If that is true, the Council filed fraudulent affidavits, to obtain patent coverage that should not have been granted.

If (as the Council now contends) certain forms of limestone, as chalk, are unsuitable in the '932 combination, it undeniably follows that the Council selected *suitable* forms of limestone for the tests submitted to the Examiner in Dr. Wagner's affidavits. Yet, those affidavits and the accompanying remarks, sought claims that broadly recited "powdered limestone", en-

compassing the *entire classification* of the limestone mineral.

If certain forms of limestone, as chalk, are unsatisfactory in the patented combination, they were deliberately concealed in Dr. Wagner's affidavits [Ex. AB, p. 37] to obtain broad claims encompassing mortars containing *any form* of powdered limestone. That fraud was the basis for claiming too much from the Patent Office, in violation of 35 U.S.C. §112.

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter . . ."

For convenience the two conflicting statements of fact are quoted below:

"The Examiner has also cited . . . Heijmer patents as disclosing 'use of methyl cellulose in the range claimed by applicant contained in a cementitious composition.' The methyl cellulose is indeed disclosed in these patents, but the claimed combination is lacking. \* \* \* Heijmer's plasters must contain chalk and may also contain pumice." [Ex. AB, p. 25].

later:

". . . the inclusion of sand or limestone in the compositions of the present case result not only in composition differences but a distinct alteration in the characteristics of the compositions after setting." [Ex. AB, p. 34]

"The claims remaining in the present application all recite sand or limestone, the ingredients necessary for mortar. It is, therefore, respectfully suggested that the claims in the present case are clearly distinguishable over those in the issued patent. . . ." [Ex. AB, p. 35].



Preliminarily, note that the first passage admits the identity of the methylcellulose disclosed in the Heijmer patent to that of the '932 patent. The only distinction urged is that Heijmer incorporates chalk as an ingredient. At that stage of the prosecution, the issue was pinpointed.

Whether the Council simply made the time-separated statements to accomplish two distinctions, or as now asserted, believed in a distinction between “chalk” and “limestone” in the mix, there was fraud. That fraud on the Patent Office resulted in the patent grant.

#### IV.

#### **Kaveler Blocks the Equivalency in Law, of Methylcellulose and Hydroxymethylcellulose.**

Kaveler states that his mortar is useful for grouting in general [Ex. P, column 2, lines 7-9]. Grouting is one of the stated uses of the patented mortars. Therefore, there is no true basis for arguing Kaveler is unrelated to the patented mortars.

The Council's protestations regarding viscosity, solubility and degree of substitution are unsupported and meaningless. Dr. Stone's undisputed testimony conclusively established that Kaveler describes Dow Methocel HG (hydroxypropyl methylcellulose) as purchased and used by Tilers Supply [Tr. 793]. Arguments and distinctions aimed at Kaveler's examples other than hydroxypropyl methylcellulose are meaningless.

The reference in the Council's brief to testimony at pages 1226-1227 appears to fail completely to support the argument for which it is cited on page 50 of Appellee's Brief.

V.

**The Allegation of Copying Remains  
Totally Unfounded.**

The unsupported charge by the Council that Tilers Supply copied remains pure fiction. In an attempt to support its accusation, the Council now urges the fact that it sent a formulation into Southern California before Tilers Supply entered the market.

The inconclusive nature of that fact does not merit argument. Many considerations completely refute the copying charge.

1. The Council has not presented any formula for comparison with Tilers Supply products. The Council has 6 or 7 patents relating to mortars [Tr. 48] and the formulations sent to California may well have related to any of those patents or to mortar mixes containing no sand or limestone as were still being asserted to the Patent Office as fully representative of the Council's "development" when Tilers Supply introduced its product.

2. The Council has still not established any access to any of their formulations by Tilers Supply.

3. The Council was not the first to market this mortar mix and in fact the circumstances which enabled successful marketing were recognized almost simultaneously by many [Tr. 1215]. Although the Council contends its mortar was introduced in 1957 (Appellee's Brief, p. 51) the referenced page of the record [Tr. 16] certainly does not establish that contention.

VI.

**Charges of Misconduct Against Tilers Supply Are Unsupported, Unfair and Misleading.**

The Council has charged misconduct with respect to four Tilers Supply witnesses. The charge against Mr. Knesel is that he sought to prove ethyl cellulose would dissolve in water and thereby establish the Heijmer patent. First, the solubility of ethyl cellulose in water is totally immaterial to this suit. Heijmer discloses methyl cellulose which is the ingredient of the patents. The disclosure of ethyl cellulose in Heijmer as an alternative ingredient although totally immaterial was recognized as operative by Dr. Stone [Tr. 796]. The immateriality of this point is further established by the fact that it was not even considered an issue of fact in the Pre-Trial Memorandum.

Second, Mr. Knesel was not testifying to establish any reference, as the Council contends but on the contrary was merely explaining his background experience with various gums and demonstrating their function [Tr. 492].

In more than a full day of testimony by Mr. Knesel, the single basis for a charge of misconduct is that he contracted the word "hydroxy ethyl cellulose" to "ethyl cellulose." The contraction was: without deceptive intent, of no effect and clearly logical. The Council's charge of misconduct on this point is unreasonable and unjust.

The Council's charge of misconduct against Mr. Lavenberg is pure fiction. Mr. Lavenberg gave his opinion of a tile failure at the Water & Power Building in which the Council's mortar was used. He also signed

a committee report analyzing the failure. Repeated and careful study (even by the witness) has revealed absolutely no inconsistency in Mr. Lavenberg's testimony and/or his part in the report. The Council's incomprehensible charge of misconduct by this witness is extremely unfair to Tilers Supply and to the witness.

Based on impressions given by the witness the Council challenged the testimony of Mr. Matheney and successfully eliminated his testimony. Mr. Matheney's testimony was given as an independent technical expert witness from a recognized laboratory employed by Tilers Supply and was eliminated because:

1. He could not precisely recall the formulas on which tests were performed.
2. He was not precise in explaining that the formulations tested were in part determined cooperatively with Mr. Knesel, then independently confirmed by the witness [Tr. 953, 967 and 968].

Mr. Matheney, as a chemist for a testing laboratory, was employed to perform technical tests and analysis outside the control of Tilers Supply. Were the situation otherwise, such testimony would be meaningless. The failure of this witness to refresh his recollection of circumstances and tests occurring more than one year prior to his court appearance cannot be counted as misconduct by Tilers Supply [Tr. 968].

The testimony of Mr. Shirm was his own and is not linked to Tilers Supply in any manner. His change of testimony was completely unexpected by Tilers Supply. However, as such it certainly does not support any charge of misconduct by Tilers Supply.

VII.

Conclusion.

The only point of difference in substance between either of the patents and Spillman lies in the '382 combination using dry glue (polyvinyl acetate) rather than wet. The Council was fully aware of this prior to filing the suit. In view of the assertion of the patents under these circumstances, coupled with the procurement of the '932 patent by fraud, reversal is respectfully requested with appropriate instructions for compensatory proceedings for Tilers Supply under *Walker Process Equipment, Inc. v. Food Machinery and Chemical Corporation*, 382 U.S. 172; 86 S. Ct. 347 (1965).

Respectfully submitted,

NILSSON, ROBBINS & ANDERSON,

By BYARD G. NILSSON,

*Attorneys for Appellant.*

### **Certificate.**

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those Rules.

BYARD G. NILSSON

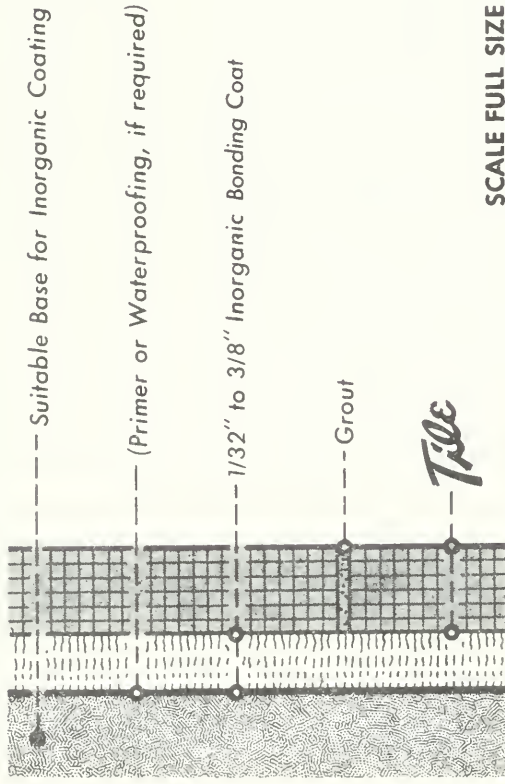
## APPENDIX.



**2. INORGANIC BONDING COATS** — Trade-marked products consisting basically of an inorganic cementitious matrix in a water, turpentine, or other relatively odorless vehicle. Usually applied 1/8" in thickness, but one or more thicker coats may be used for leveling. A wide variety of old or new surfaces (including asphaltic) are suitable if dry, clean, firm, and reasonably true. Some inorganic coatings are not recommended for use over glossy paint, marble, terrazzo, slate, old Tile, or hardboard. Manufacturers of other types do not disqualify such bases. Manufacturers variously describe their respective products as flexible or brittle, non-staining, water-resistant, non-toxic, non-combustible, or combustible before set only.

printed literature, or in his specially written instruction for this project.

The different materials falling into this category of setting beds may require that the Tile during placing be wet, damp, dry, or may allow latitude in the wetness or dryness. Other mandatory cautions to be observed are fully provided for in the suggested paragraph above.



SCALE FULL SIZE

\*Chart from page 6 of Exhibit Y.

## H1. INORGANIC BONDING COATS

— Where this type of thin setting material is to be used it must be suitable for the installation of Tilework under the conditions described in these Contract Documents. Install where designated ( . . . to a thickness . . . ) on suitable surfaces and complete the Tilework installation with other necessary products in strict accordance with the directions of the setting bed material manufacturer as shown on the container labels, described in his current

\*Paragraph from page 17 of Exhibit Y.



## APPENDIX.

### Table of Exhibits.

<u>Exhibit</u>	<u>Identified</u>	<u>Offered</u>	<u>Received</u>
G	475	475	475
J	475	475	475
P	475	475	475
Y	479	479	479
AB	485	485	485
AD	903	904	904
AL	Deposition Exhibit of Exhibit AD		
BM	875	881	881
15	96	97	97

